

THE CITY OF SAN DIEGO, CALIFORNIA
MINUTES FOR REGULAR COUNCIL MEETING
OF
TUESDAY, JULY 24, 2001
AT 9:00 A.M.
IN THE COUNCIL CHAMBERS - 12TH FLOOR

Table of Contents

CHRONOLOGY OF THE MEETING	3
ATTENDANCE DURING THE MEETING	3
ITEM-1: ROLL CALL	4
NON-AGENDA COMMENT	4
COUNCIL COMMENT:	7
CITY MANAGER COMMENT:	7
ITEM-310: Farshin Samimi Residence	8
ITEM-330: Warren Development	12
ITEM-331: Kilroy Carmel Mountain Technology Center	15
ITEM-332: <u>Alternate</u> actions related to the Proposed Debarment of J.G. Pipeline, Inc., its Divisions and Organizational Elements, its Affiliates, Richard Andrade, Jaime Parraga, George Rogers Frost, Judy Ng Go, and James Jackson.	18
ITEM-333: <u>Two</u> actions related to the Condemnation Proceedings to Acquire the Realty in Connection with the Point Loma Branch Library Project.	21
ITEM-334: <u>Three</u> actions related to State Route 56 Project - Middle Segment (Carmel Country Road to Black Mountain Road).	22
ITEM-335: Second Public Hearing - Annual Appropriation Ordinance for the Fiscal Year 2001-2002.	24
ITEM-336: Gasoline and Diesel Fuel - Award of Contract.	25

**Minutes of the Council of the City of San Diego
for the Regular Meeting of Tuesday, July 24, 2001**

Page 2

ITEM-337:	<u>Four</u> actions related to the Final Subdivision Map of Southcrest Park Estates II.	26
ITEM-338:	<u>Two</u> actions related to the Hale Avenue Resource Recovery Facility - Capital Improvements.	28
ITEM-339:	FY 2002 Health Insurance Agreements - Kaiser and PacifiCare.	30
ITEM-340:	PacifiCare Behavioral Health Agreement.	31
ITEM-341:	Group Health Agreement - PacifiCare.	33
ITEM-S500:	Scripps Gateway Freeway Center Motion for Reconsideration. 99-1341 Tentative Map, Planned Commercial Development Permit/Conditional Use Permit. Miramar Ranch North Community Plan Area. (District-5.)	35
ITEM-S501:	State Route 56 Project - Middle Segment (Carmel Country Road to Black Mountain Road).	36
NON-DOCKET	37
ADJOURNMENT	38

CHRONOLOGY OF THE MEETING:

The meeting was called to order by Mayor Murphy at 10:08 a.m. Mayor Murphy recessed the meeting at 10:37 a.m. to convene as the Redevelopment Agency. Mayor Murphy reconvened the regular meeting at 10:45 a.m. with all members present. Mayor Murphy recessed the meeting at 11:57 a.m. to reconvene at 2:00 p.m.

The meeting was reconvened by Mayor Murphy at 2:08 p.m. with all members present. Mayor Murphy recessed the meeting at 3:26 p.m. for the purpose of a break. Mayor Murphy reconvened the meeting at 3:40 p.m. with all members present. Mayor Murphy adjourned the meeting at 4:30 p.m.

ATTENDANCE DURING THE MEETING:

- (M) Mayor Murphy-present
- (1) Council Member Peters-present
- (2) Council Member Wear-present
- (3) Council Member Atkins-present
- (4) Council Member Stevens-present
- (5) Council Member Maienschein-present
- (6) Council Member Frye-present

(7) Council Member Madaffer-present

(8) Council Member Inzunza-present

Clerk-Abdelnour/Fishkin (rl/pr)

FILE LOCATION: MINUTES

ITEM-1: ROLL CALL

Clerk Abdelnour called the roll:

- (M) Mayor Murphy-present
- (1) Council Member Peters-present
- (2) Council Member Wear-present
- (3) Council Member Atkins-present
- (4) Council Member Stevens-present
- (5) Council Member Maienschein-present
- (6) Council Member Frye-present
- (7) Council Member Madaffer-present
- (8) Council Member Inzunza-present

NON-AGENDA COMMENT:

PUBLIC COMMENT-1:

Don Stillwell commented regarding Non-Agenda Public Comments and his interpretation of the municipal code as relates to enforcement of such during Council meeting. He further thanked Council Member Stevens for his support over the years on issues brought before Council during public comments.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Tape location: A018-043.)

PUBLIC COMMENT-2:

Bernadine King commented regarding the City's permit issuance process relating to development in San Diego.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Tape location: A044-081.)

PUBLIC COMMENT-3:

Mr. Kelly Ranasinghe commented regarding public safety concerns on Miramar Road relating to traffic.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Tape location: A082-118.)

PUBLIC COMMENT-4: **REFERRED TO CITY MANAGER**

Comment by Bill Yohe regarding dangerous speeding on Rolando Boulevard.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Tape location: A119-146.)

PUBLIC COMMENT-5:

Tamber Simonson commented regarding dangerous speeding on Rolando Boulevard and a median for the 4100 block of Rolando.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Tape location: A147-172.)

PUBLIC COMMENT-6:

Jarvis Ross commented regarding the public comment section of the Council Agenda.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Tape location: A173-192.)

PUBLIC COMMENT-7:

Eileen Cofer commented regarding the DeAnza Mobile Home Park and residence being displaced due to development.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Tape location: A193-235.)

PUBLIC COMMENT-8:

Leo Long commented regarding recreation land in San Diego.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Tape location: A236-269.)

PUBLIC COMMENT-9:

Ron Boshun commented regarding City Council actions he disagrees with.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Tape location: A270-299.)

COUNCIL COMMENT:

COUNCIL COMMENT-1:

Council Member Madaffer commented regarding speakers during Non-Agenda Comment and expressed that maybe the City Manager should re-visit the issue of speakers verbally attacking Council Members and how productive this is.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Tape location: A301-322.)

COUNCIL COMMENT-2:

Mayor Murphy expresses the initial intent of Non-Agenda Comments during Council Meetings.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Tape location: A323-331.)

COUNCIL COMMENT-3:

Deputy Mayor Stevens requested the Chair to enforce Non-Agenda Comment rules when speakers are verbally abusive to Council Members.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Tape location: A332-343.)

CITY MANAGER COMMENT:

None.

ITEM-310: Farshin Samimi Residence.

Matter of the request by Orrin Gabsch, President, La Jolla Town Council, for a hearing of an appeal of the decision by the Planning Commission denying the appeal of the Hearing Officer's decision and approving the request for the Farshin Samimi Residence, Coastal Development Permit/Hillside Review Permit No. 99-1360 with a revision to Condition No. 18. The project requests a Coastal Development Permit/Hillside Review Permit for the construction of a 3,219 square foot, two-story residence above a 1,059 square foot finished basement with an attached two-car garage on a 0.22 acre vacant lot located at 7666 Hillside Drive in the La Jolla Community Plan area.

(CDP/HRP-99-1360. La Jolla Community Plan area. District-1.)

TODAY'S ACTION IS:

CONTINUED TO TUESDAY, SEPTEMBER 18, 2001

A motion either granting or denying the request for a hearing of the appeal.

NOTE: Pursuant to the requirements of the San Diego Municipal Code, no oral presentations shall be made to the Council by either the proponents or opponents of the project.

If the request to allow an appeal is granted, time has been reserved for the project to be heard on September 11, 2001, at 10:00 a.m.

SUPPORTING INFORMATION:

BACKGROUND

The applicant proposes to construct a 3,219 square foot, two-story residence above a 1,059 square foot finished basement with an attached two-car garage on a vacant 0.22 acre lot. The project site, located at 7666 Hillside Drive, lies within the R1-8000, Coastal Overlay (Nonappealable Area 1), Hillside Review Overlay and the Proposition "D" 30-foot Coastal Height Limit zones of the La Jolla Community Plan area. The project is required to obtain a Coastal Development Permit (SDMC Section 111.1202) for the construction of the proposed single family residence on the existing vacant lot and is located in the Hillside Review Overlay Zone and requires a Hillside Review Permit (SDMC Section 101.0454).

The La Jolla Community Plan designates this site for single-family (0-4 du/ac) residential development. Surrounding land uses include single-family development and open space.

On September 14, 1984, the Planning Director approved HRP-84-0535 on the subject property. This permit allowed grading (700 cu. yds. of cut, and 170 cu. yds. of fill - 530 cu. yds. being exported) associated with the development of a two-story, 4,700 sq. ft., single-family residence. The development included vehicular access via a driveway across adjacent Parcels 2 and 3, a lap pool, and associated retaining walls. HRP-84-0535 was never utilized and therefore expired.

On July 1, 1998, the Hearing Officer denied the Dowlatshahi Residence, CDP/HRP/VAR-96-0585. The application proposed to construct a 5,859 sq. ft. multi-level residence with retaining walls and vehicular access via the recorded access easement which included a Variance for a 35% encroachment into slopes 25% gradient or greater where 20% is permitted. On October 15, 1998, the applicant's appeal was heard by the Planning Commission, who denied the appeal of the Hearing Officer's decision and denied the project. The project was denied due to the size of the structure in relation to the size of the lot and the excess encroachment over the permitted amount. The former project resolution has been provided as an attachment for review (Attachment 11, Planning Commission Report).

On April 4, 2001, the Hearing Officer approved the Farshin Samimi Residence project. The Hearing Officer determined that findings could be made that the proposed development was in conformance with the Coastal and Hillside Review Overlay zones and the design was sensitive to the hillside and conformed with the Hillside Development Guidelines. Testimony at the hearing included a neighbor, who expressed concerns about conformance and potential impacts to the access road. Additional testimony was given by Joanne Pearson, representing the La Jolla Town Council, with concerns about the change in the amount of impact to the site based on the applicant's consultants findings of non-natural slopes on site, and therefore a reduced impact area into sensitive slopes. Ms. Pearson also submitted a letter from the La Jolla Town Council outlining these issues (Attachment 6).

PROJECT ANALYSIS

The subject property is a portion of a 71 lot subdivision approved in 1912. In 1978, a lot line adjustment among four of these R1-8000 Zoned lots (Lots 63, 64, 65, and 66), resulted in their current configuration as Parcels 1 through 4 (Parcel Map 7723). The vacant 9,586 sq. ft. Site (Parcel 4), slopes steeply upward from an elevation of 284 feet at Hillside Drive, southward a distance of approximately 169 feet, to an elevation of 348 feet at the southerly property line, a difference of approximately 64 feet.

The site is located on the northwest facing slope of Mount Soledad, overlooking La Jolla Shores. Ninety-one percent (91%) of the property contains slopes which exceed a 25 percent gradient, and is zoned Hillside Review Overlay. Fifty-four (54%) of the site retains natural 25 percent or greater slopes. The project proposes to grade 40% of the site, with 940 cubic yards of cut and 120 cubic yards of fill. The project site will contain retaining walls with a maximum height of 8 feet. A geotechnical report has been reviewed and approved by the City Engineering staff.

The site has frontage on Hillside Drive from which vehicular access is provided. Due to topographic constraints, the property is too steep to afford direct access to required off-street parking. Access would be provided to the site via a recorded easement across Parcels 2 and 3, located immediately adjacent to the east.

The proposed project is a 3,219 square foot, two-story single family residence with a 1,059 square foot finished basement with an attached two-car garage. The proposed home would be partially embedded into the hillside with a three-story appearance from the street. The remainder of the lot would be partially landscaped with a large area to remain in its natural state.

The proposed home is a contemporary style with a flat roof and stucco finish. The project is located in a residential neighborhood composed of homes with a variety of designs of similar size and scale to the proposed home. The existing homes in the immediate vicinity are large custom designed homes on lots in excess of 8,000 square feet.

The principal difference between this project and the denied project in 1998, is that the applicant hired a soils testing engineering firm to do a complete Geologic Reconnaissance with borings to determine the extent of fill slopes on the site. The outcome of the testing proved that the natural slopes were significantly less than originally thought and therefore the project has a significantly lower level of encroachment into natural 25 percent or greater gradient slopes.

As identified with Mitigated Negative Declaration MND-99-1360, the entire site is covered by Diegan Coastal Sage Scrub. The project would impact .0979 acres, below the level of significance and no Mitigation is required. In addition, approximately 3,000 square feet of the lot is located within the City's Multiple Species Conservation Program, Multi-Habitat Planning Area (MSCP/MHPA). The project is consistent with the City's Multiple Species Conservation Program Subarea Plan.

The project site also may contain significant archeological resources. Although a portion of the site is considered disturbed, any remaining prehistorical/historical resources are considered potentially significant and monitoring is required.

Community Planning Group Recommendation - The La Jolla Community Planning Association on February 12, 2001, voted 7-0-1 to recommend approval of the project.

Environmental Impact - Mitigated Negative Declaration No. 99-1360 has been prepared for this project in accordance with State CEQA guidelines. A Mitigation, Monitoring and Reporting Program has been prepared which contains mitigation that would reduce the potential for impacts to Historical Resources to a level below significance.

Fiscal Impact - None with this action.

Code Enforcement Impact - None with this action.

Housing Affordability Impact - None with this action.

Escobar-Eck/JCT

The Planning Commission on June 7, 2001, voted 5-0 to deny the appeal, certify the Mitigated Negative Declaration, adopt the MMRP, and approve CDP-99-1360 with a revision to condition No. 18 to read, "Prior to the issuance of any building permits, the applicant shall assure by permit and bond, the widening of Hillside Drive with enough pavement, curb and gutter, along with property frontage with the proper transition, addressing the public health and safety, and drainage issues while maintaining the rural character of the neighborhood satisfactory to the City Engineer;" was opposition.

Yeas: Garcia, Skorepa, Steele, Butler, Stryker

Not Present: Anderson, Brown

FILE LOCATION: PERM-99-1360 (65)

COUNCIL ACTION: (Tape location: B001-185.)

MOTION BY PETERS TO CONTINUE TO TUESDAY, SEPTEMBER 18, 2001 WITH DIRECTION THAT CITY STAFF COORDINATE A MEETING, TO INCLUDE COUNCIL MEMBER PETERS, BETWEEN THE COASTAL COMMISSION STAFF AND CITY STAFF AND OTHER INTERESTED PARTIES IN ORDER TO DISCUSS AND FIGURE OUT EXACTLY WHAT TO DO REGARDING THE FOLLOWING ISSUES: A) TO FIND A WAY TO ELIMINATE, APPLICANTS GOING THROUGH THE CITY PERMIT PROCESS AND GETTING SURPRISED AT THE END; B) DISCUSSION ON HOW TO PRESERVE COASTAL RESOURCES IN A WAY THAT IS PRODUCTIVE FROM A POLICY STANDPOINT.

Second by Wear. Passed by the following vote: Peters-yea, Wear-yea, Atkins-yea, Stevens-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Inzunza-yea, Mayor Murphy-yea.

ITEM-330: Warren Development.

(Continued from the meeting of July 10, 2001, Item 331, at the request of Council Member Peters, to allow for time to review recently submitted documents.)

Matter of the appeal by Gunter Zittel represented by Worden, Williams, Richmond, Brechtel & Gibbs, of the decision by the Planning Commission in approving an application for a tentative map to consolidate four lots into one for condominium purposes, a permit to demolish four residences and construct one three-story building for six units with an underground parking garage, landscaping and improvements in the public right-of-way. The 0.28 acre project site is located on the southeast corner of Olivetas Avenue and Ravina Street in Zone 5 of the La Jolla Planned District of the La Jolla Community Plan area.

(TM/SDP/CDP-40-0242. La Jolla Community Plan area. District-1.)

NOTE: Hearing open. No testimony taken on 7/10/2001.

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution in subitem A; and adopt the resolution in subitem B to deny the appeal, and grant the map and permit:

Subitem-A: (R-2002-) ADOPTED AS RESOLUTION R-295214

Adoption of a Resolution certifying that the information contained in Environmental Mitigated Negative Declaration LDR No. 40-0242 has been completed in compliance with the California Environmental Quality Act of 1970 and State guidelines, and that said MND has been reviewed and considered by the Council pursuant to California Public Resources Code Section 21081; and adopting the Mitigation Monitoring and Reporting Program.

Subitem-B: (R-2002-) DENIED APPEAL; GRANTED MAP
ADOPTED AS RESOLUTION R-295215

(R-2002-) GRANTED PERMIT, ADOPTED AS RESOLUTION
R-295218

Adoption of a Resolution granting or denying the appeal and granting or denying the Tentative Map, Site Development/Coastal Development Permit No. 40-0242, with appropriate findings to support Council action.

OTHER RECOMMENDATIONS:

Planning Commission, on April 5, 2001, voted 5 - 0 to approve; was opposition.

Ayes: Garcia, Butler, Brown, Stryker, Skorepa

Recused: Steele

Not present: Anderson

The La Jolla Community Planning Group on June 2, 2000, voted 13-0-2 to recommend approval of the project with the condition that trash be lifted to the street.

CITY MANAGER SUPPORTING INFORMATION:

The project proposes to consolidate four lots into one for condominium purposes and to demolish four residences, and construct one three-story building for six units with an underground parking garage, landscaping, and improvements in the public right-of-way.

Background

The 0.28 acre site is located east of Olevitas Avenue, west of La Jolla Boulevard between Ravina Street and Pearl Street in the existing zone 5 of the La Jolla Planned District of the La Jolla Community Plan area. The surrounding properties are developed with single and multi-family residential uses. The proposed project is consistent with the La Jolla Community Plan land use map which designates this property for medium density residential land use (14-43 dwelling units per acre).

The existing four houses to be demolished were constructed prior to 1930. To address the potential that the existing structures have historical value, a historical evaluation has been completed which determined the houses are of no historic significance. The four structures are located at 7515 Olevitas Avenue and 415, 417, and 425 Ravina Street. The structure at 7515

Olivetav Avenue was built in 1918. The record shows that subsequent additions and alterations have been made to the structure. The house at 415 Ravina Street was built in 1976 when the previous structure, built in 1918, was demolished. The Mediterranean style house at 417 Ravina Street was built in 1918 and was later stripped and rebuilt as a stucco frame home. The Bungalow style house at 425 Ravina Street was also built in 1918. Several additions and alterations have been made to the original structure. All the existing structures are single story buildings in reasonably good condition.

The historical report concluded none of the structures were historically or architecturally significant under the California Environmental Quality Act as they are absent of any historical context, association with important persons or events, uniqueness, and/or structural integrity of the existing houses.

Council Policy 600-3 (Coastal Housing Program) exempts development which proposes to demolish less than ten units from any requirements to provide affordable housing replacement units (LDC 143.0820). The project is not conditioned to provide any replacement affordable housing units nor is the applicant proposing to do so.

FISCAL IMPACT: None.

Loveland/Christiansen/JSF

LEGAL DESCRIPTION:

The project site is located on the southeast corner of Olivetas Avenue and Ravina Street in Zone 5 of the La Jolla Planned District and is more particularly described as Lots 1, 2, 3, and 4 of Map No. 352.

FILE LOCATION: PERM-40-0242 (65)

COUNCIL ACTION: (Tape location: D010-E495.)

Hearing began at 11:50 a.m. and recessed at 11:57 a.m.

Hearing began at 2:09 p.m. and halted at 3:25 p.m.

Testimony in opposition by Dwight Worden, Joanne Pearson, Pat Dahlbert, Gunter Zittel, Cheryl Bugsch, and Don Schmidt.

Testimony in favor by Scott Moomsian, Karen Zobell, and Mark Lynn.

MOTION BY ATKINS TO DENY THE APPEAL, AND TO GRANT THE MAP AND THE PERMIT. Second by Madaffer. Passed by the following vote: Peters-nay, Wear-yea, Atkins-yea, Stevens-yea, Maienschein-nay, Frye-nay, Madaffer-yea, Inzunza-yea, Mayor Murphy-yea.

ITEM-331: Kilroy Carmel Mountain Technology Center.

Matter of approving, conditionally approving, modifying or denying an application to rezone a site from the Industrial Zone IH-2-1 (M-LI) to Industrial Zone IP-2-1 (M-IP) and amend Planned Industrial Development Permit No. 83-0861 to allow both large single user building tenants and multiple tenants at two existing developed sites; one, a 8.65 acre site at 15435 Innovation Drive on the northwest corner and two, a 4.65 acre site at 15445 Innovation Drive on the southwest corner, both at the intersection of the Avenue of Science and Innovation Drive in the Rancho Bernardo Community Plan area.

(RZ/PID-99-1351. Rancho Bernardo Community Plan area. District-5.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution in subitem A; adopt the resolution in subitem C to grant the permit; and introduce the ordinance in subitem B:

Subitem-A: (R-2001-1772) ADOPTED AS RESOLUTION R-295199

Adoption of a Resolution certifying that the information contained in Mitigated Negative Declaration LDR-99-1351 has been completed in compliance with the California Environmental Quality Act of 1970 (California Public Resources Code Section 21000 et seq.) as amended, and the State guidelines thereto (California Administrative Code Section 15000 et seq.), that the declaration reflects the independent judgment of the City of San Diego as Lead Agency and that the information contained in said report, together with any comments received during the public review process, has been reviewed and considered by Council in connection with the approval of the land use actions for the Kilroy Carmel Mountain Technology Center; declaring that the Council finds that project revisions now mitigate potentially significant effects on the environment

previously identified in the Initial Study and therefore, that the Mitigated Negative Declaration is approved; declaring that pursuant to California Public Resources Code section 21081.6, the Council adopts the Mitigation Monitoring and Reporting Program, or alterations to implement the changes to the project as required by this body in order to mitigate or avoid significant effects on the environment; directing the City Clerk to file a Notice of Determination (NOD) with the Clerk of the Board of Supervisors for the County of San Diego regarding the above project.

Subitem-B: (O-2001-174) INTRODUCED, TO BE ADOPTED ON
MONDAY, AUGUST 6, 2001

Introduction of an Ordinance of the Council of the City of San Diego changing 13.3 acres located at 15435 and 15445 Innovation Drive, within the Rancho Bernardo Community Plan area, in the City of San Diego, California, from the IH-2-1 Zone (previously referred to as the ML-LI Zone) into the IP-2-1 Zone (previously referred to as the M-IP Zone), as defined by San Diego Municipal Code Section 131.0602; and repealing Ordinance No. O-15605 (New Series), adopted November 16, 1981, of the Ordinances of the City of San Diego insofar as the same conflicts herewith.

Subitem-C: (R-2002-) GRANTED PERMIT; ADOPTED AS
RESOLUTION R-295200

Adoption of a Resolution granting or denying the Planned Industrial Development Permit PID-99-1351, with appropriate findings to support Council action.

OTHER RECOMMENDATIONS:

Planning Commission voted 5-0 to approve; no opposition.

Ayes: Anderson, Butler, Brown, Stryker, Skorepa
Not present: Steele
Recusing: Garcia

The Rancho Bernardo Community Planning Group has recommended approval of this project.

SUPPORTING INFORMATION:

Kilroy Carmel Mountain Technology Center proposes a rezone from ML-I (IH-2-1) to IP-2-1 (Industrial) and amending Planned Industrial Development Permit No. 83-0861 to allow both single and multiple tenants at two developed sites by means of a Rezone/Planned Industrial Development Permit. The 8.65 acre site at 15435 Innovation Drive on the northwest corner and 4.65 acre site at 15445 Innovation Drive on the southwest corner, both at the intersection of the Avenue of Science and Innovation Drive in the Rancho Bernardo Community Plan area, zoned IH-2-1 (formerly M-LI), is currently developed each with buildings, parking, landscaping and public improvements. The current Planned Industrial Development permit 83-0861 allowed for the development of an industrial/office park.

In reviewing the application, City staff has confirmed the project complies with the regulations of the proposed IP-2-1 industrial zone (formerly M-IP) and all other relevant regulations of the Municipal Code for this property (Attachment 4). At this developed site, no construction or development would result from the approval of the application. The proposed project is consistent with and will not adversely affect the Progress Guide and General Plan and the Rancho Bernardo Community Plan which identifies the site as designated for industrial development. A change in the use of existing development of this site with the proposed single and multiple tenant users will benefit the community by providing an opportunity for economic growth and greater utilization of existing facilities.

The project is estimated to generate approximately 1,628 average daily trips (ADT). Of these trips, 326 are estimated to occur on Interstate 15 (I-15). Interstate 15 has a near-term plus project volume of 226,326 ADT south of Carmel Mountain Road. Caltrans is planning to widen I-15 to provide two additional lanes to be completed by 2005 north of State Route 56. The project is required to provide dual right-turn lanes at the intersection of Carmel Mountain Road and Rancho Carmel Drive.

The Rancho Bernardo Community Planning Board, voted unanimously, on January 18, 2001, to recommend approval of the project with conditions. The suggested condition has been included in the draft permit as condition number nine.

City staff recommends certification of the Mitigated Negative Declaration (MND) LDR No. 99-1351; adoption of the Mitigation Monitoring and Reporting Program with all mitigation necessary to reduce, to a level of insignificance, all significant impacts of the project as identified in the MND; adoption of the rezone ordinance, and approval of the Planned Industrial Development Permit PID-99-1351 with the conditions contained in the draft permit.

FISCAL IMPACT: None.

No cost to the City. All costs are recovered by a deposit account funded by the applicant.

Loveland/Christiansen/JSF

LEGAL DESCRIPTION:

The project site is located on an 8.65 acre-site at the northwest intersection of the Avenue of Science and Innovation Drive and a 4.65 acre-site located at the southwest intersection of Innovation Drive and the Avenue of Science, and is more particularly described as Parcel 1 and Parcel A of Parcel Map No. 13090 and Lot 4 of Bernardo Heights, Phase V.

FILE LOCATION: Subitems A, C: PERM-99-1351 (65); Subitem B: None

COUNCIL ACTION: (Tape location: B193-265.)

MOTION BY MAIENSCHIN TO ADOPT SUBITEMS A AND C AND INTRODUCE SUBITEM B, WITH DIRECTION FOR CITY STAFF TO EXPLAIN FURTHER IN A REPORT AS RELATES TO CALTRANS FREEWAY RATINGS, EXACTLY HOW A PROJECT IMPACTS OR REDUCES TRAFFIC ON FREEWAYS. Second by Atkins. Passed by the following vote: Peters-yea, Wear-yea, Atkins-yea, Stevens-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Inzunza-yea, Mayor Murphy-yea.

ITEM-332: **Alternate** actions related to the Proposed Debarment of J.G. Pipeline, Inc., its Divisions and Organizational Elements, its Affiliates, Richard Andrade, Jaime Parraga, George Rogers Frost, Judy Ng Go, and James Jackson.

(See City Manager Reports CMR-01-113 (Revised), Supplement to CMR-01-113, and CMR-01-068.)

TODAY'S ACTION IS:

Adopt **either** the Resolution in Subitem A **or** the Resolution in Subitem B:

Subitem-A: (R-2002-99) ADOPTED AS RESOLUTION R-295216

Adopting in full the findings of fact set forth in City Manager's Revised Reports CMR-01-113, 01-68, and any and all documents referenced herein; and the Supplemental City Manager's Report to CMR-01-113, and any and all documents referenced therein; the Administrative Record; all testimony, and evidence submitted prior to or during the debarment hearing on file in the Office of the City Clerk, all of which are incorporated herein, along with any and all documents referenced herein, relative to the corrupt practices of J.G.; declaring that as a consequence of said facts, J.G. is permanently debarred from performing contract work for the City of San Diego; declaring that permanent debarment of J.G. will prevent its continued corrupt practices on City contracts. As such, it is in the public interest, and it will protect the City by ensuring full and open competition by allowing the City to grant awards only to responsible contractors. This debarment is not for purposes of punishment.

OR

Subitem-B: (Alternate R-2002-99) NOTED AND FILED

Adopting in full the findings of fact set forth in City Manager's Revised Reports CMR-01-113, CMR-01-68, and any and all documents referenced herein and incorporated herein by this reference, and the Supplemental City Manager's Report to CMR-01-113, and any and all documents referenced therein; the Administrative Record; all testimony, and evidence submitted prior to or during the debarment hearing on file in the office of the City Clerk, all of which are incorporated herein, relative to the corrupt practices of J.G.; declaring that as a consequence of said facts, J.G. is debarred (insert City Council Designated Time Not to Exceed Three Years); declaring that debarment (insert City Council Designated Time Not to Exceed Three Years) of J.G. will prevent its continued violations of San Diego Municipal Code Section 22.0803 on City contracts. As such, it is in the public interest, and will protect the City by ensuring full and open competition by allowing the City to grant awards only to responsible contractors. This debarment is not for purposes of punishment.

FILE LOCATION: SUBITEMS A & B: MEET

COUNCIL ACTION: (Tape location: E512-F546.)

Hearing began at 3:40 p.m. and halted at 4:29 p.m.

Testimony in opposition by Frank Satalino and James DeOlden.

MOTION BY MAIENSCHIN TO ADOPT THE RESOLUTION IN SUBITEM A,
AND TO NOTE AND FILE THE RESOLUTION IN SUBITEM B.

COUNCIL MEMBER MAIENSCHIN READ THE FOLLOWING INTO THE
RECORD:

“AFTER REVIEWING AND CONSIDERING ALL EVIDENCE AND TESTIMONY PRESENTED HERE TODAY, AS WELL AS ALL EVIDENCE SUBMITTED PRIOR TO THE HEARING ON FILE IN THE OFFICE OF THE CITY CLERK, I MAKE A MOTION BASED UPON A THOROUGH REVIEW OF ALL EVIDENCE THAT THE FACTS AS SET FORTH IN THE ADMINISTRATIVE RECORD AND REVISED CITY MANAGER’S REPORTS NOS. 01-113, 01-068, AND ALL DOCUMENTS REFERENCED THEREIN; AND THE SUPPLEMENTAL REVISED CITY MANAGER’S REPORT NO. 01-113, AND ALL DOCUMENTS REFERENCED THEREIN; ARE TRUE AND CORRECT AND ARE ADOPTED IN FULL, AND THAT AS A CONSEQUENCE OF THESE FACTS, J. G. PIPELINE, INC., ITS DIVISIONS AND ORGANIZATIONAL ELEMENTS, ITS AFFILIATES, RICHARD ANDRADE, JAIME PARRAGA, JUDY NG GO, JAMES JACKSON AND GEORGE ROGERS FROST ARE PERMANENTLY DEBARRED FOR ENGAGING IN CORRUPT PRACTICES. EACH FACTUAL FINDING SET FORTH IN THE MANAGER’S REPORTS AND ALL DOCUMENTS REFERENCED THEREIN, INDIVIDUALLY AND CUMULATIVELY, SUPPORT THE DEBARMENT OF J. G. PIPELINE, INC., ITS DIVISIONS AND ORGANIZATIONAL ELEMENTS, ITS AFFILIATES, RICHARD ANDRADE, JAIME PARRAGA, JUDY NG GO, JAMES JACKSON AND GEORGE ROGERS FROST. THE UNENFORCEABILITY OF ANY ONE FACTUAL FINDING SHALL NOT RENDER ANY OTHER FACTUAL FINDING AND CONCLUSION UNENFORCEABLE, INVALID, OR ILLEGAL. MY MOTION FURTHER DECLARES THAT THIS COUNCIL FINDS THAT PERMANENT DEBARMENT OF J. G. PIPELINE, INC., AND EACH OF THEM, WILL PREVENT ITS CONTINUED CORRUPT PRACTICES OF BIDDING CITY CONTRACTS. AS SUCH, PERMANENT DEBARMENT IS IN THE PUBLIC INTEREST, AND WILL PROTECT THE CITY BY ENSURING FULL AND OPEN COMPETITION BY ALLOWING THE CITY TO GRANT CONTRACTS ONLY TO RESPONSIBLE CONTRACTORS.”

Second by Wear. Passed by the following vote: Peters-yea, Wear-yea, Atkins-yea, Stevens-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Inzunza-yea, Mayor Murphy-yea.

MOTION BY MADAFFER TO REQUEST THE CITY ATTORNEY'S OFFICE TO INVESTIGATE WITH THE STATE CONTRACTORS BOARD AND REPORT BACK TO COUNCIL REGARDING FILING A COMPLAINT AND/OR SEEKING TERMINATION OF LICENSING AS APPROPRIATE. Second by Wear. Passed by the following vote: Peters-yea, Wear-yea, Atkins-yea, Stevens-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Inzunza-yea, Mayor Murphy-yea.

ITEM-333: Two actions related to the Condemnation Proceedings to Acquire the Realty in Connection with the Point Loma Branch Library Project.

(See City Manager Report CMR-01-136. Peninsula Community Area. District-2.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2002-24) ADOPTED AS RESOLUTION R-295201

FINDINGS MUST BE MADE AS PART OF COUNCIL ADOPTION

Declaring that the public interest, convenience and necessity of the City of San Diego require the acquisition of fee simple title and improvements to the property located at 3755 Voltaire Street for the construction, operation, and maintenance of the Point Loma Branch Library Project in order to provide for the current and projected needs of the community; declaring that the expansion will enable the City to provide for a modern library and community service center facility, a park and necessary expanded parking facilities; declaring that the expansion project will necessarily require the acquisition of fee simple title to the property; declaring that the proposed project is planned in a manner that will be most compatible with the greatest public good and the least private injury; declaring

that the offer to purchase the property required by Government Code Section 7267.2 has been made to the owners of record of the property and rejected; declaring the intention of the City of San Diego to acquire the real property under eminent domain proceedings; and directing the City Attorney of the City of San Diego to commence an action in the Superior Court of the State of California, County of San Diego, to condemn, acquire, and obtain prejudgment possession of the property for the use of the City.

NOTE: 6 votes required for Subitem A.

Subitem-B: (R-2002-25) ADOPTED AS RESOLUTION R-295202

Authorizing the expenditure of an amount not to exceed \$650,000 from Fund 30244, Organization 106, Object Account 4638, Job Order 350670 (CIP-35-067.0) for the acquisition of required property rights and costs related to condemnation of fee title interest and improvements to the realty in connection with the Point Loma Branch Library Project.

Aud. Cert. 2101312.

FILE LOCATION: MEET

COUNCIL ACTION: (Tape location: B266-285.)

MOTION BY WEAR TO ADOPT. Second by Maienschein. Passed by the following vote: Peters-yea, Wear-yea, Atkins-yea, Stevens-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Inzunza-yea, Mayor Murphy-yea.

ITEM-334: Three actions related to State Route 56 Project - Middle Segment (Carmel Country Road to Black Mountain Road).

(See City Manager Report CMR-01-132. Torrey Highlands Planned Urbanizing Area and Subarea III Community Area. District-1.)

(Continued from the meeting of June 26, 2001, Item 332, at the request of the City Manager, for further review.)

NOTE: Hearing open. No testimony taken on 6/26/2001.

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2001-1751) ADOPTED AS RESOLUTION R-295203

Authorizing the City Manager to amend the Cooperative Agreement with the San Diego Association of Governments and California Department of Transportation for funding and right-of-way acquisition for the State Route 56 Project - Middle Segment (Carmel Country Road to Black Mountain Road.)

Subitem-B: (R-2001-1752) ADOPTED AS RESOLUTION R-295204

Amending the FY2001 Capital Improvements Program by amending CIP-52-463.0 by increasing the appropriation by an amount not to exceed \$34,850,000 (\$24,037,000 from Fund No. 38976 and \$10,813,000 from Fund No. 38977), for the acquisition of property rights, condemnation, labor, appraisal, relocation, title, escrow, and miscellaneous costs;

Authorizing the expenditure of an amount not to exceed \$34,850,000 from CIP-52-463.0 for the acquisition of property rights, condemnation, labor, appraisal, relocation, title, escrow, and miscellaneous costs, contingent upon certification by the City Auditor and Comptroller of funds being available;

Authorizing the City Auditor and Comptroller, upon advice from the administering department, to transfer excess budgeted funds, if any, to the appropriate reserves.

Subitem-C: (R-2001-1750) ADOPTED AS RESOLUTION R-295205

FINDINGS MUST BE MADE AS PART OF COUNCIL ADOPTION.

Determining that the public interest and necessity require the acquisition of certain land for the State Route 56 Project - Middle Segment (Carmel Country Road to Black Mountain Road) and directing the filing of eminent domain proceedings to condemn, acquire, and obtain prejudgement possession of the property for use of the City;

Stating for the record that the final Environmental Impact Report LDR-95-0099, dated May 14, 1998, and adopted June 16, 1998 and July 21, 1998, by Resolution Nos. R-290286 and R-290467, has been reviewed and considered by Council.

Note: 6 votes required for Subitem C.

Hearing began at 11:32 a.m. and halted at 11:49 a.m.

Testimony in opposition by Lou Goebel, Esq., Tom Steinke, Esq., and Robert Stack, Esq.

FILE LOCATION: MEET

COUNCIL ACTION: (Tape location: B545-C219.)

MOTION BY MAIENSCHIEIN TO ADOPT. Second by Peters. Passed by the following vote: Peters-yea, Wear-yea, Atkins-yea, Stevens-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Inzunza-yea, Mayor Murphy-yea.

ITEM-335: Second Public Hearing - Annual Appropriation Ordinance for the Fiscal Year 2001-2002.

CITY MANAGER'S RECOMMENDATION:

Hold the second Public Hearing and introduce and adopt the following ordinance:

(O-2002-1) INTRODUCED AND ADOPTED AS O-18964 (NEW SERIES)

Introduction and adoption of an Ordinance adopting the Annual Budget for the Fiscal Year 2001-2002 and appropriating the necessary money to operate the City of San Diego for said Fiscal year.

NOTE: Today's action is the second public hearing and introduction and adoption of the Ordinance. See Item 200 on the docket of Monday, July 23, 2001 for the first public hearing.

FILE LOCATION: MEET

COUNCIL ACTION: (Tape location: B286-290.)

MOTION BY PETERS TO INTRODUCE, DISPENSE WITH THE READING AND ADOPT THE ORDINANCE. Second by Wear. Passed by the following vote: Peters-yea, Wear-yea, Atkins-yea, Stevens-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Inzunza-yea, Mayor Murphy-yea.

ITEM-336: Gasoline and Diesel Fuel - Award of Contract.

(See City Manager Report CMR-01-143.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution:

(R-2002-29) ADOPTED AS RESOLUTION R-295206

Authorizing the City Manager to accept the low and responsible proposal meeting specifications of the SOCO Group, Inc., and to execute a contract for furnishing gasoline and diesel fuel, as required for a period of one year beginning August 1, 2001 through July 31, 2002, for a total estimated cost of \$4,965,343, including tax and fee, and options to renew the contract for four additional one-year periods, with option period increases for freight charges not to exceed ten percent (10%) of the charges in effect at the end of the prior year;

Authorizing the estimated expenditure of \$4,551,565 for Fiscal Year 2002 of which \$1,784,868 is from Fund 100, Department 110, Police Department, \$183,012 from Fund 100, Department 120, Fire Department, and \$2,583,685 from Fund 50030, Department 820, Equipment Division, provided the City Auditor and Comptroller first furnishes a certificate demonstrating that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer; and authorizing the City Auditor and Comptroller, upon advice from the administering department, to transfer excess budgeted funds, if any, to the appropriate reserves;

Authorizing the estimated expenditure of \$413,778 for Fiscal Year 2003, contingent upon Council approval of the Fiscal Year 2003 budget of which \$162,261 is from Fund 100, Department 110, Police Department, \$16,637 from Fund 100, Department 120, Fire Department, and \$234,880 from Fund 50030, Department 820, Equipment Division. (BID-4061-015)

Aud. Cert. 2200043.

FILE LOCATION: PURCHASE

COUNCIL ACTION: (Tape location: B291-492.)

MOTION BY ATKINS TO ADOPT WITH DIRECTION TO THE CITY MANAGER TO PROVIDE A REPORT TO THE CITY COUNCIL IN 1-YEAR UPDATING COUNCIL ON THE STATUS OF THE FIXED GASOLINE PRICES. Second by Peters. Passed by the following vote: Peters-yea, Wear-yea, Atkins-yea, Stevens-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Inzunza-yea, Mayor Murphy-yea.

ITEM-337: Four actions related to the Final Subdivision Map of Southcrest Park Estates II.

(Southeastern San Diego Community Area. District-8.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2002-107) ADOPTED AS RESOLUTION R-295207

Authorizing a Subdivision Improvement Agreement with Route 252 Joint Venture for the installation and completion of public improvements.

Subitem-B: (R-2002-106) ADOPTED AS RESOLUTION R-295208

Approving the final map.

Subitem-C: (R-2002-108) ADOPTED AS RESOLUTION R-295209

Accepting a grant deed of the Redevelopment Agency of the City of San Diego dated July 6, 2001, granting to the City Lot 63 of Southcrest Park Estates II.

Subitem-D: (R-2002-109) ADOPTED AS RESOLUTION R-295210

Authorizing a Landscape Maintenance Agreement with Route 252 Joint Venture to assure maintenance of landscaping.

CITY MANAGER SUPPORTING INFORMATION:

This map proposes the subdivision of a 14.62 acre site into 62 lots for residential development, plus Lot 63 being deeded in fee to the City at no cost, and Lot 64 for future park purposes. It is located easterly of 1-5 and 1-15 northerly of Chollas Creek in the Southeastern San Diego Community Plan area.

On November 9, 1999 the Council of the City of San Diego approved City Council Resolution No. R-292430 approving Tentative Map TM-98-0262. The City Engineer has approved the final map and states that all conditions of the Tentative Map have been satisfied. The public improvements required for this subdivision are shown in detail on Drawing No. 30465-1-D through 30465-66-D, filed in the Office of the City Clerk under Micro Number 141.09. All improvements are to be completed within two years.

The Engineer's estimate for the cost of public improvements is \$2,209,720 and a Performance Bond in that amount has been provided as surety. A cash bond in the amount of \$14,000, as determined by the surveyor's estimate, has been posted as surety for the setting of survey monuments. This subdivision is located in the Southeastern San Diego Community Plan area which provides for the payment of Facilities Benefits Assessment (FBA) or Development Impact Fees (DIF), which includes parks, at the time of building permit issuance. This community may be subject to impact fees, as established by the City Council, at the time of building permit issuance.

Subdivider, by letter, has given assurance to the City of San Diego that he subscribes to the Affirmative Marketing Program as shown in the "Memorandum of Understanding between the San Diego Building Industry Association and U.S. Department of Housing and Urban Development."

Subdivider is entering into a Landscape Maintenance Agreement, agreeing to maintain all landscaping and appurtenances thereto within the City right-of-way adjacent to this subdivision, until the homeowners assume maintenance responsibility. This project is estimated to generate approximately 695 average daily trips (ADT). 280 of these trips are estimated to occur on the nearby Interstate 5, which has an estimated near-term volume of 188,280. There are no improvements planned by Caltrans on Interstate 5 in the vicinity of this project.

FISCAL IMPACT:

None.

Loveland/Haase/GB

FILE LOCATION: Subitems A,B,D: SUBD-Southcrest Park Estates II (40)
Subitems C: DEED F-9015

COUNCIL ACTION: (Tape location: B493-501.)

MOTION BY INZUNZA TO ADOPT. Second by Atkins. Passed by the following vote:
Peters-yea, Wear-yea, Atkins-yea, Stevens-yea, Maienschein-yea, Frye-yea, Madaffer-yea,
Inzunza-yea, Mayor Murphy-yea.

ITEM-338: Two actions related to the Hale Avenue Resource Recovery Facility - Capital
Improvements.

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2002-62) ADOPTED AS RESOLUTION R-295211

Authorizing the City Auditor and Comptroller to transfer an amount not to exceed
\$4,701,046 from the Metropolitan Wastewater Department Unallocated Reserve,
Sewer Fund No. 41509, Department 777, Org. 445, Object Account 4903, Job
Order 777210, to Sewer Fund No. 41506, Department 773, Org. 190, Object

Account 4229, Job Order 1904, to provide funds for the Hale Avenue Resource Recovery CIP Phase II Project, with funds available in the Fiscal Year 2001 Operations and Maintenance Budget;

Authorizing the expenditure of an amount not to exceed \$4,701,046 from the Fiscal Year 2001 Metropolitan Wastewater Department Sewer Fund No. 41506, Department 773, Org. 190, Object Account 4229, Job Order 1904 for the Hale Avenue Resource Recovery Facility CIP Phase II Expansion Project.

Subitem-B: (R-2002-63) ADOPTED AS RESOLUTION R-295212

Declaring that the information contained in the final EIR document EIR-91-21/SCH-90010817, prepared by the City of Escondido on December 19, 1991, including any comments received during the public review process, has been reviewed and considered by Council in connection with the Hale Avenue Resource Recovery Facility Expansion Project;

Directing the City Clerk to file a Notice of Determination (NOD) with the Clerk of the Board of Supervisors for the County of San Diego.

CITY MANAGER SUPPORTING INFORMATION:

On April 12, 1972, the City of Escondido (Escondido) and the City of San Diego (San Diego) entered into an agreement for the transporting, treatment and disposal of wastewater from the Rancho Bernardo area. Essentially all of the wastewater, including residential, commercial and industrial, from Rancho Bernardo is treated at Escondido's Hale Avenue Resource Recovery Facility (HARRF). The Agreement provides for San Diego to pay its fair share of the costs for the operation, maintenance, repair, replacement and/or improvements to the HARRF. Escondido is in the process of upgrading the HARRF. The total estimated cost of San Diego's fair share of the upgrades is \$12.8 million. San Diego has budgeted approximately \$8.1 million for the upgrades, leaving a required balance of approximately \$4.7 million. The additional required funding of \$4.7 million is available in the Sewer Fund's Unallocated Reserve and therefore, there will be no change in the total Sewer Fund Budget as a result of this action.

FISCAL IMPACT:

The cost of this action is \$4,701,046 and will be funded from Fund 41509, Unallocated Reserve.

Loveland/Tulloch/WJH

Aud. Cert. 2200051.

FILE LOCATION: MEET

COUNCIL ACTION: (Tape location: B502-544.)

MOTION BY MADAFFER TO ADOPT. Second by Maienschein. Passed by the following vote: Peters-yea, Wear-yea, Atkins-yea, Stevens-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Inzunza-yea, Mayor Murphy-yea.

ITEM-339: FY 2002 Health Insurance Agreements - Kaiser and PacifiCare.

(Continued from the meeting of July 9, 2001, Item 106, at the request of the City Manager, for further review.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution:

(R-2001-1711) CONTINUED TO MONDAY, AUGUST 6, 2001

Authorizing the City Manager to execute all required written documents to finalize the FY 2002 Health Insurance Agreements;

Declaring that Kaiser and PacifiCare Health Insurance Agreements are effective for a one-year period, and terms of the agreements, including benefit level and rate changes for FY 2002 were negotiated with the carriers and subsequently discussed and approved during the May 1, 2001 City Council Closed Session;

Declaring that Council approval of the FY 2002 Health Agreements authorizes the City Manager to execute the written documents between the City of San Diego and the health insurance carriers, Kaiser and PacifiCare, to be effective August 1, 2001 through July 31, 2002.

CITY MANAGER SUPPORTING INFORMATION:

The Kaiser and PacifiCare health insurance agreements are effective for a one year period. The terms of the agreement, including benefit level and rate changes, for FY 2002 were negotiated with the carriers and subsequently, discussed and approved during the May 1, 2001 City Council Closed Session. This formalizes the Council's approval of the FY 2002 Health Insurance Agreements and authorizes the City Manager to execute the written documents between the City of San Diego and the health insurance carriers, Kaiser and PacifiCare, to be effective August 1, 2001 through July 31, 2002.

FISCAL IMPACT:

The estimated annual cost to the City for FY 2002 active employee coverage is \$7,052,500 for Kaiser and \$4,412,425 for PacifiCare. This amount is based on the total number of active employees currently enrolled in the respective plans. Monies have been budgeted in FY 2002 for this purpose in all departments through the Flexible Benefits Plan. Additional costs for dependent coverage are borne by the employees through payroll deduction and/or monies available through the employees' Flexible Benefits Plan allotment.

Lexin/Oliva/VV

FILE LOCATION: None

COUNCIL ACTION: (Tape location: A344-377.)

MOTION BY WEAR TO CONTINUE TO MONDAY, AUGUST 6, 2001 FOR FURTHER REVIEW. Second by Inzunza. Passed by the following vote: Peters-yea, Wear-yea, Atkins-yea, Stevens-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Inzunza-yea, Mayor Murphy-yea.

ITEM-340: PacifiCare Behavioral Health Agreement.

(Continued from the meeting of July 9, 2001, Item 110, at the request of the City Manager, for further review.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution:

(R-2001-1712) CONTINUED TO MONDAY, AUGUST 6, 2001

Authorizing the City Manager to enter into an agreement with PacifiCare Behavioral Health, to provide group health insurance for the period of August 1, 2000 through July 31, 2002; declaring that the monthly cost for the mental health and chemical dependency treatment services provided by PacifiCare Behavioral Health are as follows:

Employee Only	\$ 8.23
Employee & One Dependent	\$16.49
Employee & Two Plus Dependents	\$33.57

Authorizing the expenditure of an amount not to exceed \$347,000 from Fund 600201.

CITY MANAGER SUPPORTING INFORMATION:

In an effort to provide an enhanced level of coverage for mental health and chemical dependency treatment programs, the City carves this coverage out of the PacifiCare health plans. As part of the bigger health insurance vendor search conducted in January 2000, the City's benefits consultant, Towers Perrin, issued a Request for Proposal on behalf of the City soliciting proposals from five carriers to offer behavioral health coverage to active employees covered by the PacifiCare health plans. PacifiCare Behavioral Health was chosen as the best option to provide mental health and chemical dependency treatments for participants enrolled in the City's PacifiCare HMO and \$250 deductible plans based on service capabilities, administrative efficiency and cost.

The monthly cost for the mental health and chemical dependency treatment services provided by PacifiCare Behavioral Health for the period of August 1, 2000 through July 31, 2002 is as follows:

Employee Only	\$ 8.23
Employee & One Dependent	\$16.49
Employee & Two Plus Dependents	\$33.57

FISCAL IMPACT:

The estimated annual cost to the City is, \$347,000. This amount is based on the total number of active employees enrolled in PacifiCare HMO and PPO plans as of 8/1/2001. Monies have been budgeted in FY 2001 and FY 2002 for this purpose through the PacifiCare rates.

Lexin/Oliva/VV

Aud. Cert. 2200006.

FILE LOCATION: None

COUNCIL ACTION: (Tape location: A344-377.)

MOTION BY WEAR TO CONTINUE TO MONDAY, AUGUST 6, 2001 FOR FURTHER REVIEW. Second by Inzunza. Passed by the following vote: Peters-yea, Wear-yea, Atkins-yea, Stevens-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Inzunza-yea, Mayor Murphy-yea.

ITEM-341: Group Health Agreement - PacifiCare.

(Continued from the meeting of July 9, 2001, Item 111, at the request of the City Manager, for further review.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution:

(R-2001-1302) CONTINUED TO MONDAY, AUGUST 6, 2001

Authorizing an agreement with PacificCare, to provide group health insurance, for a one year period beginning August 1, 2000 through July 31, 2001, and to authorize a premium rate as follows:

	<u>PacifiCare HMO</u>	<u>\$250 Deductible</u>
Employee Only	\$2,116	\$2,819
One Dependent	\$2,480	\$2,820
Two or More Dependents	\$4,504	\$5,720

Authorizing the expenditure of an amount not to exceed \$4,966,320 from Fund 600201, Account No. 9544.

CITY MANAGER SUPPORTING INFORMATION:

The City's benefits consultant, Towers Perrin, issued a Request for Proposal on behalf of the City soliciting proposals from nine carriers to offer both a fully insured Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) health insurance plan to active and retired employees and their dependents. Three proposals were received which included the incumbent Blue Cross of California. After extensive review of the responses PacifiCare of California was chosen to replace Blue Cross of California. This decision was based on PacifiCare's ability to replace Blue Cross with little to no provider disruption to City employees, retirees and their dependents while providing some enhanced benefits and at a lower cost than Blue Cross's renewal.

The term of the agreement is August 1, 2000 through July 31, 2001. The annual rates for FY2001 for ACTIVE employees are as follows:

	<u>PacificCare HMO</u>	<u>\$250 Deductible</u>
Employee Only	\$2,116	\$2,819
One Dependent	\$2,480	\$2,820
Two or More Dependents	\$4,504	\$5,720

The cost of active employee coverage is paid through the Flexible Benefits Plan (FBP). Employees may cover their dependents through payroll deduction and/or remainder FBP monies.

FISCAL IMPACT:

The estimated cost to the City for active employees is \$4,966,320. This amount is based on the total number of active employees enrolled during the open enrollment period and represents the cost of coverage for the employee only (\$3,759,086) and monies designated by employees to offset the cost of their dependent (\$1,207,234). Monies have been budgeted in FY2001 for this purpose in all departments through the Flexible Benefits Plan.

Lexin/Oliva/VV

Aud. Cert.2101018.

FILE LOCATION: None

COUNCIL ACTION: (Tape location: A344-377.)

MOTION BY WEAR TO CONTINUE TO MONDAY, AUGUST 6, 2001 FOR FURTHER REVIEW. Second by Inzunza. Passed by the following vote: Peters-yea, Wear-yea, Atkins-yea, Stevens-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Inzunza-yea, Mayor Murphy-yea.

ITEM-S500: Scripps Gateway Freeway Center Motion for Reconsideration. 99-1341 Tentative Map, Planned Commercial Development Permit/Conditional Use Permit. Miramar Ranch North Community Plan Area. (District-5.)

APPROVED RECONSIDERATION

Consideration of Motion to: (1) waive the Permanent Rules of the City Council; and (2) reconsider the appeal of Schulman, Hecht, Solberg, Robinson & Goldberg LLP, Attorneys for the Applicant Shea Homes Limited Partnership, LLC, and Shea Properties from the decision of the Planning Commission denying the request for a Tentative Map, Planned Commercial Development Permit/Conditional Use Permit.

Waiver of the Permanent Rules of the Council requires a vote of two-thirds of the Councilmembers.

If the matter is to be reconsidered, time has been reserved for the project to be heard on August 7, 2001.

FILE LOCATION: PERM-99-1341 (65)

COUNCIL ACTION: (Tape location: A525-574.)

MOTION BY MADAFFER TO WAIVE PERMANENT RULES OF THE CITY COUNCIL. Second by Atkins. Passed by the following vote: Peters-yea, Wear-yea, Atkins-yea, Stevens-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Inzunza-yea, Mayor Murphy-yea.

MOTION BY MAIENSCHIEIN TO RECONSIDER THE APPEAL OF SCHULMAN, HECHT, SOLBERG, ROBINSON & GOLDBERG LLP, ATTORNEYS FOR THE APPLICANT SHEA HOMES LIMITED PARTNERSHIP, LLC, AND SHEA PROPERTIES FROM THE DECISION OF THE PLANNING COMMISSION DENYING THE REQUEST FOR A TENTATIVE MAP, PLANNED COMMERCIAL DEVELOPMENT PERMIT/CONDITIONAL USE PERMIT. Second by Atkins. Passed by the following vote: Peters-yea, Wear-yea, Atkins-yea, Stevens-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Inzunza-yea, Mayor Murphy-yea.

ITEM-S501: State Route 56 Project - Middle Segment (Carmel Country Road to Black Mountain Road).

(Torrey Highlands Planned Urbanizing Area and Subarea III. District-1.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution:

(R-2002-154) ADOPTED AS RESOLUTION R-295213

Authorizing the City Manager to amend the Cooperative Agreement with the San Diego Association of Governments and California Department of Transportation for funding and right-of-way acquisition;

Amending the FY2002 Capital Improvements Program Budget by amending CIP-52-463.0, by increasing the appropriation by an amount not to exceed \$14,500,000 (from Fund No. 38976), for the acquisition of property rights, condemnation, labor, appraisal, relocation, title, escrow, and miscellaneous costs;

Authorizing the expenditure of an amount not to exceed \$14,500,000 from CIP-52-463.0 for the acquisition of property rights, condemnation, labor, appraisal, relocation, title, escrow, and miscellaneous costs, contingent upon certification by the City Auditor and Comptroller of funds being available;

Authorizing the City Auditor and Comptroller, upon advice from the administering department, to transfer excess budgeted funds, if any, to the appropriate reserves.

NOTE: See Item 334 on the docket of July 24, 2001 for a companion item.

CITY MANAGER SUPPORTING INFORMATION:

City Manager's Report CMR-01-132, issued June 20, 2001, pertains to the issue of the City Council authorizing condemnation for the acquisition of property for State Route 56 utilizing \$34,850,000 in funds which had been previously identified for acquisition, litigation, and miscellaneous costs. As a related item, on July 13, 2001 the San Diego Association of Governments approved an additional \$14,500,000 for right of way acquisition, support and utility relocation costs for State Route 56. Upon City Council and California Transportation Commission approval, the Cooperative Agreement with the San Diego Association of Governments and California Department of Transportation for funding of right of way acquisition for State Route 56 will be amended.

FISCAL IMPACT:

The revised right of way budget for State Route 56 is \$49,350,000.

Herring/Griffith/RAG

FILE LOCATION: MEET

COUNCIL ACTION: (Tape location: B545-C219.)

MOTION BY MAIENSCHIEIN TO ADOPT. Second by Peters. Passed by the following vote: Peters-yea, Wear-yea, Atkins-yea, Stevens-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Inzunza-yea, Mayor Murphy-yea.

NON-DOCKET:

None.

ADJOURNMENT:

The meeting was adjourned by Mayor Murphy at 4:30 p.m.

FILE LOCATION:

MINUTES

COUNCIL ACTION:

(Tape location: F600.)